AR2119

STATE OF ARKANSAS

Sale of Your Home

1998

NAME:	SOCIAL SECURITY NUMBER:

Part 1 Gain on Sale

1. Date that your former main home was sold (month, day, year) .... 1. ___/___/___
2. Did you own and use this property as your principle residence for three (3) out of the last five (5) years ending on the date of sale or exchange?
   - ☐ If YES, go to Part 2 - Exclusion Line 9 now.
   - ☐ If NO, the gain is defferable. Complete Lines 3 through 8 below.
3. If any part of your main home was ever rented or used for business, check here ☐ and see instructions.
4. Selling price of home. Do not include personal property items you sold with your home. .... 4. ______ 00
5. Expense of sale. (See instructions). .... 5. ______ 00
6. Subtract Line 5 from Line 4. .... 6. ______ 00
7. Adjusted basis of home sold. .... 7. ______ 00
8. **Gain on sale.** Subtract Line 7 from Line 6. .... 8. ______ 00

Is Line 8 more than Zero ? → ☐ ***Yes*** → ***Go to Part 3, Line 10 now.***
→ ☐ ***No*** → ***Stop and attach this form to your return.***

Part 2 Exclusion

9. If you answered "Yes" to question 2 above **Stop,** the gain is excludable. Attach this form to your return.

Part 3 Adjusted Sales Price, Taxable Gain and Adjusted Basis of New Home

10. Have you bought or built a new main home in Arkansas?
    - ☐ If YES, the gain is deferred. Go to Line 13 now.
    - ☐ If NO, the gain is deferrable. Go to Line 11 now.
11. If you haven't replaced your home in Arkansas, do you plan to do so within the period beginning two (2) years prior to the date of sale or exchange and ending two (2) years after that date?
    - ☐ If YES, the gain is deferred. Go to Line 13 now.
    - ☐ If NO, the gain is taxable. Enter the amount of Line 8 on AR1000DGW,Column (g) and (i), Line 4 or Line 12.
12. If you are reporting this sale on the installment method, see instructions, and go to Line 13.
13. Fixing-up expenses. (See instructions for time limits) .... 13. ______ 00
14. **Adjusted sales price.** Subtract Line 13 from Line 6. .... 14. ______ 00

15a. Date you moved into your new home. ___/___/___ 15b. Cost of new home. .... 15b. ______ 00

16. Subtract Line 15b from Line 14. If zero (0) or less, enter -0-. .... 16. ______ 00
17. **Taxable gain.** Enter the smaller of Line 16 or Line 8. .... 17. ______ 00
    - * If Line 17 is zero (0), go to Line 18
    - * If you are reporting this sale on the installment method, see Line 12 instructions and go to Line 18.
    - * All others, enter the amount from Line 16 on AR1000DGW, column (g) and (i), Line 4 or Line 12, and go to Line 18.
18. Deferred gain. Subtract Line 17 from Line 8. .... 18. ______ 00
19. **Adjusted basis of new home.** Subtract Line 18 from Line 15b. .... 19. ______ 00

STATE OF ARKANSAS
SALE OF YOUR HOME AR2119 INSTRUCTIONS

General Instructions

Arkansas has not adopted any provision of the Federal Taxpayer Relief Act of 1997 or the IRS Restructuring and Reform Act of 1998. Arkansas Act 328 of 1997 excludes from income the gain from the sale or exchange of property owned and occupied as a principle residence for at least three (3) of the five (5) years preceding the sale or exchange. This exclusion replaces the rollover of gain provision and the one-time $125,000 exclusion for taxpayers age 55 or older. You must report the sale of your main home on Arkansas Form AR2119.

Who Must File

You must file form AR2119 with your Arkansas return for the year in which you sell your main home. You must do this even if the sale resulted is a loss, the gain is excluded, or if the gain is to be deferred.

Loss on the Sale of Your Home.-- You cannot deduct a loss on the sale of your home. However, you must file form AR2119 to report the sale. Complete lines 1 through 8 of form AR2119 and attach it to your return. If you replace your home, the loss has no effect on the basis of your new home.

Specific Instructions

Line 2. If the home sold was owned and used as your principle residence for three (3) out of the last five (5) years ending on the date of sale or exchange, the gain is excludable. Complete Part 2 Exclusion. If this requirement has not been met, the gain may be deferred if the following conditions are met:

1) you have bought or built a new main home in Arkansas or
2) you plan to do so within the replacement period beginning two (2) years prior to the date of sale or exchange and ending (2) years after that date.

Complete Lines 3 through 8 and follow the instructions on Line 8.

Line 3. Old Home.-- If part of your old main home was rented out or used for business and in the year of sale you were not entitled to deduct expenses for the part that was rented or used for business, report the entire sale on form AR2119.

If you were entitled to deduct expenses in the year of sale for the part that was rented or used for business, treat the sale as two separate sales. Report on Federal form 4797 the part of the sale that applies to the rental or business use. Report on form AR2119 only the part of the sale that represents your main home. You must allocate between form AR2119 and Federal form 4797 the sales price, expenses of sale, and the adjusted basis of the property sold. Attach a statement showing the total selling price of the property and the method used to allocate the amounts between the two forms. You cannot postpone the part of the gain that is reported on Federal form 4797.

New Home.-- If part of your new main home is rented out or used for business, enter on line 15b only the part of the total cost of the property that is allocable to your new main home. Attach a statement showing the total cost of the property and the allocation between the part that is your new main home and the part that is rented out or used for business.

Line 5. Enter the total expenses you paid to sell your old home. These expenses include commissions, advertising, attorney and legal fees, appraisal fees, title insurance, transfer and stamp taxes, and recording fees. Loan charges, such as points charged to the seller, are also selling expenses. Do not include fixing-up expenses on this line.

Line 11. Replacement Period. This is the time period during which you must replace your old main home to postpone any of the gain from its sale. It starts 2 years before and ends 2 years after the date of sale. This period may be longer if you are on active duty in the U.S. Armed forces or if you live and work outside the U.S.
IN ADDITION, YOUR REPLACEMENT HOME MUST BE LOCATED IN THE STATE OF ARKANSAS.

Additional Filing Requirement. If you have not replaced your home but plan to do so within the replacement period, a second form AR2119 will need to be completed when you replace your home. The second filing is required even if the taxable gain when replaced is zero. This is used to show that you replaced your home within the replacement period.

Line 12. If you report the gain from the sale of your home on Federal form 6252 using the installment method, first complete the lines on form AR2119 that apply to you, then go to federal form 6252 and enter the recognized gain from Line 26 or Line 37 whichever is applicable on the AR1000DGW, Line 4 or Line 12.

Line 13. Enter the fixing-up expenses you paid to help sell your old home. Fixing-up expenses are decorating and repair costs. However, to qualify, the expenses must be for work done during the 90 day period ending on the day you signed the contract to sell your home and paid no later that 30 days after the date of sale.

Fixing-up expenses do not include amounts paid for capital improvements. Instead, add these amounts to the basis of the property sold. They also do not include selling expenses included on line 5 or amounts that are otherwise deductible.